

Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL, AND REDEVELOPMENT
AGENCY BOARD

FROM: Mark Linder
Harry S. Mavrogenes

**SUBJECT: DOWNTOWN CLEANING
ACTIONS AND STRATEGIES**

DATE: 2-1-06

Council District: 3

RECOMMENDATIONS

- a) Acceptance by the City Council and Redevelopment Agency Board of this report on Downtown Cleaning Actions and Strategies, and direction to staff to pursue the various strategies presented in the report to enhance Downtown cleanliness.
- b) Adoption by the City Council of the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
 - 1) Establish a City-Wide appropriation to the Department of Transportation for Downtown Blight Abatement Services (PSM 416 #1) in the amount of \$120,000.
 - 2) Increase the estimate for Earned Revenue by \$120,000

BACKGROUND

Downtown San Jose is recognized as a distinctive and special area of the City. Over \$1 billion has been invested during the last 20 years to build and establish Downtown as the heart of San Jose, and the City and Redevelopment Agency provide a higher level of maintenance and blight abatement services in Downtown than elsewhere in the City. Ongoing fiscal challenges have required a series of reductions in services that have affected and will continue to affect the service levels and streetscape conditions in Downtown. One of the hardest hit service areas has been the Downtown cleaning program.

Since FY 2003-2004, funding for Downtown cleaning services has declined by approximately 50%. Activities such as general sidewalk cleaning and power washing in the Transit Mall and other high use areas have suffered the most, going from a funding level over \$675,000 in FY 2002-2003 to about \$300,000 in FY 2005-2006. These and other reductions, combined with more events and higher Downtown activity, have resulted in a significant increase in the amount of litter, debris, grime, gum, odors, overflowing litter cans, and other unclean/unsanitary conditions in all areas of Downtown.

Recognizing this trend and in tandem with the adoption of the Downtown Streetscape Master Plan in September 2003, the City Council and Redevelopment Agency Board directed City and Redevelopment Agency staff to investigate the establishment of a Downtown Maintenance District to better address the ongoing need for increasing levels of maintenance in Downtown. Under the direction of the Building Better Transportation (BBT) Committee, staff performed a general assessment of current maintenance activity and future maintenance needs, studied the different types of maintenance and improvement districts and how other cities have utilized them, and worked with the San Jose Downtown Association (SJDA), the San Jose Downtown Residents Association (SJDRA), and several Neighborhood Business Districts (NBD) to initiate the process of establishing Property-based Business Improvement District (PBID) in Downtown and in certain NBDs. The basis of the direction from the BBT Committee included the following points:

- Existing resources are not sufficient to support current service demands and will be unable to meet future needs.
- More extensive and frequent services are needed to create an environment that will continue to attract and keep businesses and customers.
- An alternate funding source is needed to provide the desired level of service Downtown.

In January 2006, the Redevelopment Agency retained consultant services to perform feasibility studies for implementing PBIDs in four NBDs: West San Carlos Street, Story Rd., Japantown, and 13th Street. Two seminars were held on January 25 and 26 to enlighten and educate NBD representatives and staff to initiate the studies. Consultants will be working with the NBD representatives and businesses to gauge interest level and possibility of establishing PBIDs in any of the above-mentioned NBDs. In Downtown, the SJDA Board of Directors completed a PBID feasibility study in 2001 and is continuing the process of establishing a PBID to provide enhanced services such as cleaning, security and marketing in Downtown.

Despite these initial efforts, funding, service levels, and cleanliness conditions in Downtown have continued to deteriorate. As a result, City and Redevelopment Agency staffs are proposing a series of short-term actions to immediately improve conditions and, along with several key Downtown stakeholders such as the SJDA, are working to develop ideas and strategies that could lead to permanent solutions to the cleanliness problems in Downtown. The purpose of this report is to inform the City Council and Redevelopment Agency Board of these efforts and to recommend approval to implement or pursue them accordingly.

ANALYSIS

Current Cleaning Services, Funding, and Conditions in Downtown

In the Transit Mall and around the Repertory Plaza, sidewalk portering (e.g., general cleanup activities such as the removal of litter, debris, gum, graffiti, and minor stains from the sidewalks) is provided on a daily basis, Monday through Friday. This includes the emptying of public litter

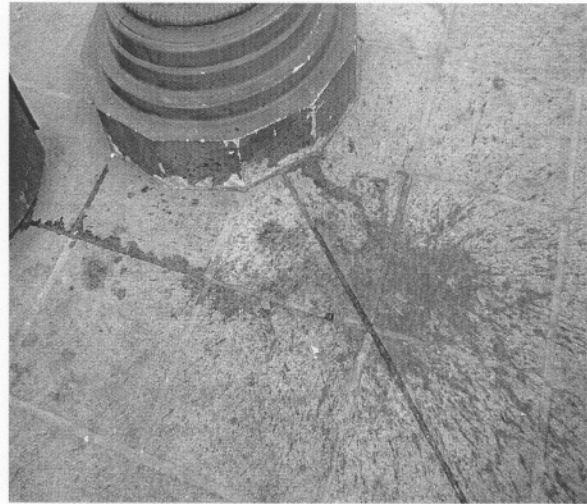
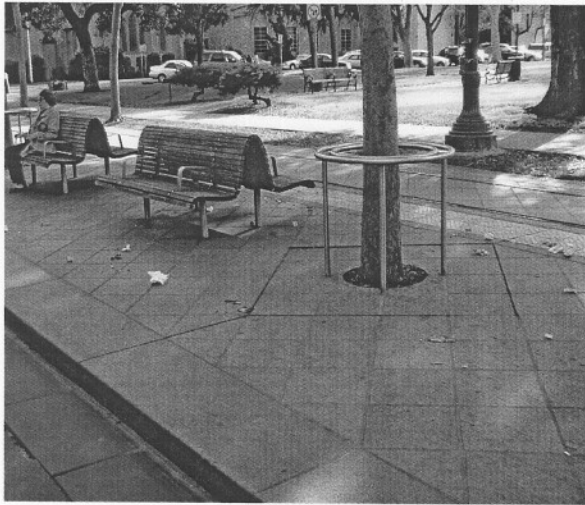
cans in these areas. Sidewalk power washing is performed a total of 16 hours per month and only in spots where conditions are most severe. In the South First Street Area (SoFA) and San Pedro Square, portering occurs three days per week for four hours a day and power washing is done once per month. These services are performed contractually and managed by the Department of Transportation (DOT) at a cost to the City of about \$335,000 per year.

In other areas of Downtown, public litter cans are emptied six days per week, Monday through Saturday. This service is provided by the San Jose Conservation Corps (SJCC) through a contract and under the direction of the Environmental Services Department (ESD) at a cost to the City of about \$200,000 per year. Throughout Downtown, street sweeping is performed twice per week by a contractor for DOT at a cost to the City of about \$100,000. The following table summarizes current City-funded cleaning activity downtown:

| Service | Service Areas | Frequency | Funding |
|---|-----------------------------------|--|------------------|
| Portering, Power Washing (PW), and Public Litter Can (PLC) Pickup | Transit Mall | Portering – M - F PW – 16 hours/month PLC Pickup – Daily | \$205,000 |
| | Repertory Plaza | Portering – M - F PW – 8 hours/month PLC Pickup – Daily | \$30,000 |
| | SoFA | Portering – 3 days/week PW – 8 hours/month | \$50,000 |
| | San Pedro Square | Portering – 3 days/week PW – 8 hours/month | \$50,000 |
| Public Litter Can (PLC) Pickup | All Downtown outside Transit Mall | M – Sat. | \$200,000 |
| Streetsweeping | All Downtown | Twice per week | \$100,000 |
| | | | \$635,000 |

In addition, the Redevelopment Agency provides funding to DOT to perform blight abatement services to eliminate the physical conditions that cause blight. Consistent with previous years, \$507,000 was allocated to the City to perform extraordinary proactive and reactive blight abatement services in the Downtown, NBDs, and Industrial Areas for FY 2005-2006. When the budget was adopted, the City recognized \$440,000 of the \$507,000 allocated. Included in the 2005-2006 Mid-Year Report is a recommendation to recognize the remaining \$67,000 to pay for an additional overstrength position. Services funded by the Redevelopment Agency include graffiti abatement, poster and sticker removal, enhanced debris and weed abatement, street furniture service and installation, enhanced cleaning of storm basins, illegal sign removal, sign installation, and tree and horticultural tasks.

The reductions in funding and service levels have resulted in very poor cleanliness conditions in the Downtown area. Excessive litter, debris, grime, gum, stains, and odors are common in areas of Downtown where heavy pedestrian and transit activity occur. The following pictures illustrate examples of unacceptable conditions of cleanliness:

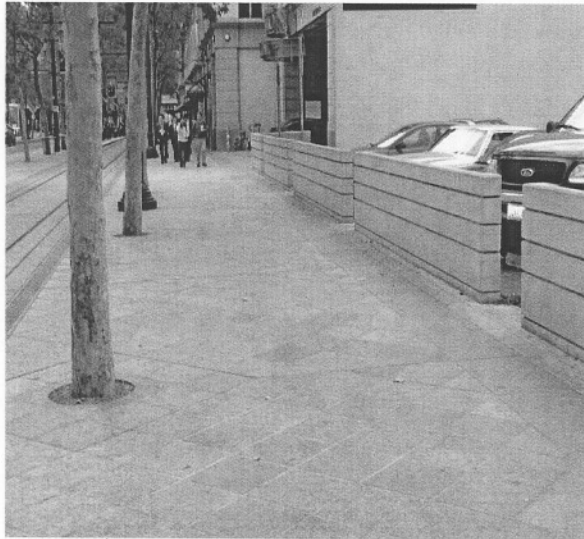


Satisfactory Cleaning Services, Funding, and Conditions in Downtown

DOT has analyzed the cleaning needs of Downtown and determined the satisfactory— although not ideal — level of maintenance and funding that is required to sustain a clean Downtown. Under this scenario, portering and power washing services would be greatly increased in areas where they are needed most — the Transit Mall and all along Santa Clara Street — and will be provided in other areas where they do not currently occur. In addition, all public litter cans would be emptied at least once per day and regularly monitored and emptied as often as necessary to prevent overflow. The following table summarizes these services.

| Service | Service Areas | Frequency | Funding |
|--------------------|---|--|--------------------|
| Portering | Entire Transit Mall; SoFA; San Pedro Square; Santa Clara from the Arena to 6 th St.; and San Fernando from Market to 6 th St. | Daily | \$360,000 |
| | Other Downtown Streets | 2 days per week | |
| Power Washing | Entire Transit Mall; Santa Clara from the Arena to 6 th St.; and San Fernando from Market to 6 th St. | Minimum quarterly; as needed washing to eliminate acute conditions | \$465,000 |
| | Market Street; 3 rd from San Fernando to Reed; San Fernando, Park, and San Carlos in the Guadalupe River Park area. | Minimum twice per year; as needed to eliminate acute conditions | |
| | All other areas | Acute spot cleanups | |
| Public Litter Cans | All Downtown | Daily pickup and additional as needed | \$385,000 |
| Streetsweeping | All Downtown | Twice per week | \$100,000 |
| | | | \$1,310,000 |

This would eliminate acute conditions and raise the general cleanliness of the entire Downtown to a satisfactory level. The following pictures illustrate how an enhanced cleanliness level provides a more desirable pedestrian environment.



Strategies to Improve Cleanliness in Downtown to a Satisfactory Level

Several City departments, including DOT, ESD; Planning, Building, & Code Enforcement (PBCE); and the Redevelopment Agency are continuing to work with Downtown stakeholders to develop short, mid, and long-term strategies that will provide sustainable, consistent, and acceptable cleaning services in the Downtown. The following section describes these strategies.

Short-term Strategies for the remainder of FY 2005-2006

The City and the Redevelopment Agency are collaborating on the following collective set of actions to immediately increase the level of cleaning services and improve cleanliness in Downtown commensurate with the satisfactory levels described above:

- Increase the General Fund contribution for Downtown cleaning by \$240,000, as part of the mid-year budget action on February 14, 2006, allowing DOT to increase contractual services for additional portering and sidewalk power washing in all of Downtown.
- Establish a City-wide appropriation to DOT for the Blight Abatement Services project (PSM 416) in the amount of \$120,000. This action (Recommendation b(1) of this report) will allow DOT to provide services that are necessary to eliminate the physical conditions that cause blight as a result of the extraordinary number of special events that take place in Downtown. DOT will conduct pre and post event cleanups to coincide with the large numbers of residents and visitors that attend Downtown events, such as the upcoming Tour de California, Tapestry Arts Festival, San Jose Grand Prix, and many others.

- Improve the public litter can pickup service being provided by the SJCC. The SJCC has struggled to consistently meet the requirements of their agreement with San Jose to empty the litter cans and prevent garbage overflow in the Downtown. ESD staff has been working with them to refocus their efforts on Downtown to improve service delivery for the remainder of FY 2005-2006.

Mid-term Strategies for FY 2006-2007 through FY 2008-2009

Mid-term strategies are currently being explored to bridge the time period between July 2006 and 2009 when one or more permanent strategies are likely to be implemented. The service delivery elements of the mid-term strategies include increasing and expanding the levels of portering and sidewalk power washing to more acceptable levels, but not fully reaching the desired levels described above. Improved service delivery in the collection of public litter cans would also improve with more stringent requirements, and potentially a new service provider. ESD is currently preparing a Request for Proposals (RFP) for the collection of civic garbage and recycling. The scope of the RFP will include public litter can pickup on a citywide basis, including Downtown. The new contract will be awarded and executed for FY 2006-2007. The new provider will be required to consistently empty all of the public litter cans in Downtown and eliminate overflow conditions.

The key piece of the mid-term strategies is a potential funding partnership among the City, Redevelopment Agency, and the SJDA, which represents the property owners and businesses in Downtown. Together, the partners would contribute additional funding totaling up to \$500,000 as follows:

- Continuation of one-time General Fund contributions by the City. Although General Fund resources are severely limited, staff would be evaluating various sources to support the General Fund contribution, such as using a portion of the increase in the Commercial Solid Waste Franchise Fee charged to commercial franchise garbage haulers, or other possible sources. Proposals for a potential General Fund contribution would be brought forward for City Council consideration as part of the FY 2006-2007 budget process.
- Continuation of additional Redevelopment Agency funding for extraordinary cleanup activities prior to and after Downtown events as part of the Blight Abatement Services agreement. A proposal to fund Blight Abatement Services would be presented to the Redevelopment Agency Board during the FY 2006-2007 budget process.
- Contributions from the SJDA and the private sector, accounting for up to 25% of the total amount. SJDA staff is currently working with its Board and the membership to review and decide this issue.

The clear challenge facing both the public and private partners is the limited availability of resources to fund the mid-term strategies. The City's General Fund is facing a significant shortfall for FY 2006-07, and both the Department of Transportation and the Environmental Services

Department, where funding for current Downtown cleaning programs is housed, have been directed to submit budget reduction proposals of 18% to assist in balancing the 2006-07 General Fund budget. Financial projections for FY 2007-08 show little or no improvement. The SJDA also faces a difficult financial situation when it comes to funding Downtown cleaning services, primarily due to the much more limited size and capacity of their budget.

Long-term Strategies

There are primarily two options being explored at this time to achieve a sustainable funding source and service delivery model for cleaning the Downtown for the long term. The first is the development of an exclusive and integrated commercial garbage collection and cleaning program in the Downtown. The second is the establishment of a Property-based Business Improvement District in the Downtown. It is also possible that some combination of the two options could occur.

Integrated Commercial Garbage Collection and Cleaning Program – An exclusive and integrated commercial garbage collection and cleaning program, currently titled the Clean & Green Downtown concept, is being researched and developed by ESD. The Clean & Green Concept was introduced to the City Council during the Study Session on Alternative Service Delivery Models on January 12, 2006.

Under such a system, all cleaning related services, such as garbage pickup, recycling, public litter can pickup, portering, sidewalk power washing, and streetsweeping could be provided under a single contract and predominantly paid for by Downtown garbage collection and recycling customers through their garbage and recycling rates. It is currently estimated that if the development of an exclusive and integrated system were to move forward, implementation of the program would not likely occur until mid-2009 due to the significant amount of time and resources needed to perform the program engineering, public outreach, data system development, and other complex tasks needed to ensure understanding and support by stakeholders and proper implementation.

Property-based Business Improvement District – The other primary option, establishment of a PBID in Downtown, would allow property owners to self-assess and pay for cleaning and other desired services, such as marketing, customer service, and security. The SJDA is continuing its efforts to research and assess the feasibility of establishing a PBID in Downtown. If pursued, the formation of a Downtown PBID could occur as early as FY 2007-2008.

The use of PBIDs for enhanced maintenance services and other desired services in downtown areas is common and effective in many cities. It is estimated that there are over 1,200 PBIDs or similar improvement districts in downtowns and business districts across the Country. For example, Long Beach established a PBID for their 72-block downtown in 1998. The District provides the following services:

- Downtown Clean Team enhances the scope and frequency of sidewalk sweeping, power washing, and litter and graffiti removal.

- Downtown Guides supports crime prevention, reduces the incidence of nuisance crimes, productively address the challenges associated with street populations and make the Downtown improvement district more hospitable.
- Image Enhancement through economic development and destination marketing initiatives that improve the overall business climate, marketability and regional profile of Downtown.

The Downtown Long Beach PBID operated on a budget of \$1,510,600 in 2004 with \$540,000, or 35.7% allocated to cleaning activities. The following table provides a basic summary of three PBIDs operating in California.

| | Long Beach | Old Pasadena | Sacramento |
|--|--|---|--|
| Size (Blocks) | 72 | 21 | 66 |
| Established | 1998 | 2000 | 1995 |
| Services | Cleaning; Downtown Guides; Image Enhancement | Cleaning; Ambassadors & Security; Business Interest Advocacy; Marketing/promotion | Safety; Cleaning; Economic Development and Marketing; Improvement Activities |
| Annual Budget | \$1,510,600 (2004) | \$1,229,324 (2006) | \$1,861,340 (2006) |
| Cleaning Budget / % of Total Budget | \$540,000 35.7% | \$386,592 31.4% | \$527,260 28.3% |

It is important to note that in all of these cases, and in most PBIDs, the services provided by the District do not replace existing City services, but are in addition to them and provide an enhanced level of services that meet the specific needs of the areas. It is also important to note that responses from PBID ratepayers and participating Cities are typically very positive. A 2002 survey of ratepayers on the changes in Downtown Long Beach since 1999 provided the following results:

- 95% of respondents believe it is cleaner
- 94% of respondents believe its overall appearance has improved
- 80% of respondents believe its image has improved
- 70% of respondents perceive it as safer
- 67% of respondents believe that it is really safer

Other On-Going Strategies

The following strategies are currently being developed for near-term and on-going implementation:

- Develop partnerships with VTA to increase cleaning activities at transit stops. While the City is responsible for general sidewalk cleaning around the transit stops in Downtown, the VTA and DOT are currently working on an agreement to fund and perform additional sidewalk cleaning and power washing at the First St. and Santa Clara St. bus stops.

- Continue code enforcement strategies to respond to violations and complaints that contribute to blight or unclean conditions. PBCE is currently working with Downtown stakeholders to implement proactive code enforcement inspection and enforcement of the News rack Ordinance. This effort will require owners to relocate news racks that impede pedestrian movement and deliveries. In addition, news racks that are broken, defaced or not maintained will be required to be repaired, cleaned or replaced, as appropriate.
- Provide public outreach and education on how Downtown property owners, businesses, residents, and visitors can assist in keeping Downtown clean. ESD will perform outreach and education, and provide literature on codes, responsibilities, and "do's and don'ts" for keeping Downtown clean, including environmentally friendly practices and restrictions.

OUTCOMES

Approval to increase the appropriation to DOT for the Blight Abatement Services project and increase the estimate for earned revenue will enable the City and the Redevelopment Agency to eliminate the physical conditions that cause blight as a result of the large number of major events that take place in Downtown, and provide a cleaner, more attractive Downtown before and after Downtown events.

Acceptance of this report and direction to staff to continue pursuing the described strategies for creating a cleaner and more attractive Downtown will further the City's vision of positioning Downtown as a unique creative and cultural center of Silicon Valley: one of the 15 specific economic strategies.

PUBLIC OUTREACH

Beginning in 2004 with the first report to the BBT Committee on Business District Streetscape Implementation and Maintenance, the City and Redevelopment Agency staff have met, consulted, and participated with the SJDA in identifying, assessing and developing strategies to improve the cleanliness of Downtown.

COORDINATION

This memorandum has been coordinated with the Departments of Transportation, Environmental Services; Planning, Building and Code Enforcement; the City Attorney's Office and the Agency's General Counsel.

2-1-06

Subject: Downtown Cleaning Actions and Strategies

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COST IMPLICATIONS


Additional resources needed to implement any of the strategies presented in this report will be proposed to the City Council or Redevelopment Agency Board as part of the mid-year or annual budget processes. The proposed Redevelopment Agency funding of \$120,000 is available in the Agency's FY 2005-06 Adopted Capital Budget, Downtown Streetscape project line in the Merged Redevelopment Area.

CEQA

Not a project.



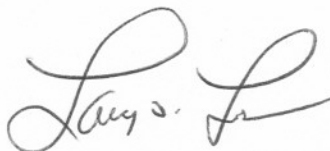
MARK LINDER
Assistant City Manager



HARRY S. MAVROGENES
Executive Director

Attachments

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund in the Fiscal Year 2005-2006 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$120,000.



LARRY D. LISENBEE
Budget Director

RECEIVED
CITY CLERK
MAR 1 2006
11:00